

10/23/23 Statement of John Dantine, Owner/President of George St. Properties

Good Afternoon, my name is John Dantine, George St Properties. I own a variety of buildings in Lancaster City and would like to contribute my expertise in real estate and engineering to addressing the affordable housing crisis. Thank you for including me on this panel.

My vision for affordable housing in Lancaster is less about large, high-rise projects and more about smaller, more flexible projects that can contribute units needed to keep pace with demand. While those larger projects have their place, they face challenges that can derail the best laid plans. Funding challenges, red tape, zoning, Nimbyism and more, mean that it often takes years before those units are online. My hope is to find a way to use an existing resource to put units on the market quickly and efficiently. I'll give you a brief overview of how I came to this model and how I believe it can be scaled to make progress on affordable housing in Lancaster.

One of the properties we own is Excelsior, a popular wedding and events venue in downtown Lancaster. We also own a catering business and needed offsite commercial kitchen space to support this location as well as others. I found a very affordable warehouse space (approx. 10,000 sq ft) on West Vine St in Lancaster's Cabbage Hill/SoWe neighborhood. After building the kitchen, I had thousands of square feet of unused space. I soon realized that the space could be perfect for residential units. After a trip to Africa and an understanding of Lancaster as one of the most important refugee resettlement hubs in the country, I decided that I would like to use those units to house arriving refugees. We believe we can get between 5-7 units within the existing footprint of the building. Due to the low cost of the warehouse, and rehab over new build, we can frame out those units at a low cost, keeping rents affordable. While this example involves refugees, I could imagine scaling the model to include anyone that is searching for affordable units. I think the model works best if property owners/landlords work with local service providers to ensure that the spaces are designed for their eventual use and tenants can receive support along their journey toward self sufficiency.

Here are what I see as the major advantages to working like this:

- 1) Zoning: Creating commercial/residential mixed use space is currently allowed in the zoning overlay of my building (and many others like it) That avoids lengthy zoning battles.
- 2) Availability and Scalability: There are many other underutilized warehouse/commercial spaces throughout Lancaster's neighborhoods that could replicate the model
- 3) Cost: By avoiding new build and framing out existing space, I avoid the worst cost drivers (land development, new build, etc..)
- 4) Speed: These units can be online much quicker and with fewer obstacles. If scaled, this means we can approach the number of units that larger buildings can offer in the same or less time.
- 5) Partnership with existing nonprofit service providers: If we as landlords can work with existing social services providers, we know we're getting tenants who have an extra layer of attention and support and perhaps those organizations can bring in additional money or other services that set the tenant up for long-term success and getting them out of the need for affordable units.

It's a simple model. It takes a little bit of creativity to imagine constructing a commercial/residential space but the supply of buildings exist in Lancaster and the model can be replicated. While costs are low, landlords might have to be content with a slightly smaller return on investment. And that's where the government can help. Most government funding goes toward those larger, less nimble projects that take years to build and include a lot of red tape. Could government funds incentivize smaller projects like mine that can add units quickly and meet the needs now? Could we have more incentive and an easing of restrictions to put more ADUs (Accessory Dwelling Units) on the market? We aren't going to solve the problem with either large high rises or smaller multi-unit buildings alone. We need all of the above and I hope PA's elected officials will consider that when they are passing legislation to address this issue.